GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2577
ANSWERED ON:07.03.2003
FERA VIOLATIONS BY MNCs
A. VENKATESH NAIK

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether recently the 18 Multi-National Companieshave been found accused of violation of foreign exchange regulations involving over Rs.170 crore;

(b) if so, the details of such MNCs; and

(c) the action the Government has taken against those MNCs?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS(SHRI GINGEE N. RAMACHANDRAN)

(a) After investigation under the provisions of the Foreign Exchange Regulation Act (FERA), 1973,eighteen multinational companies were found to have paid salaries/ perquisites abroad to their employees (foreign nationals) working in India, without obtaining the necessary permission of the Reserve Bank of India.

(b) The details are given in the Annexure to this reply.

(c) Action under the provisions of the FERA, 1973 has beentaken by the Directorate of Enforcement and adjudication proceedings have been initiated accordingly.

ANNEXURE

Names of Multi-National Companies to which Show Cause Notice (s) have been issued under the provisions of the Foreign Exchange Regulation Act, 1973

S.NO.	NAME OF MULTI-NATIONAL COMPANIES	AMOUNT INVOLVED (RS. IN LAKHS)
1	M/s. Japan Airlines,New Delhi	103.47
2	M/s. Hyundai Motor (I) Ltd.,New Delhi	804.50
3	M/s. Samsung Corporation,New Delhi	2403.93
4	M/s. Merubeni (I) Pvt. Ltd.,New Delhi	983.72
5	M/s. Bank of Tokyo Mitsubishi Ltd.New Delhi	2043.19
6	M/s. Motorola (I) Ltd.,Gurgaon	557.67
7	M/s. Mitsubishi Corporation,New Delhi	2052.92
8	M/s. Sanwa Bank Ltd. (UFJ Bank Ltd.),Delhi	260.04
9	M/s. Bank of Nova Scotia, New Delhi	42.31
10	M/s. LG Electronics,New Delhi	80.63
11	M/s. Sony (I) Ltd., New Delhi	J. YEN - 574963183
12	M/s. Deutsche Bank, New Delhi	1343.42
13	M/s. Sakura Bank, New Delhi	J. YEN - 40978509
14	M/s. All Nippon Airways,New Delhi	147.33
15	M/s. Nokia Telecommunications,New Delhi	1086.02
16	M/s. Ericsson (I) Pvt. Ltd.,New Delhi	3546.05
17	M/s. Daewoo Motors, New Delhi	266.68
18	M/s. Fuji Bank Ltd., New Delhi	280.88